

Cabinet



Date of meeting:	11 March 2024
Title of Report:	Plan for Homes 4
Lead Member:	Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development, and Communities)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Nick Carter/Neil Mawson
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Your Reference:	PfH4- NM
Key Decision:	Yes
Confidentiality:	Part I - Official

Purpose of Report

This report launches Plan for Homes 4 which reinforces our overall ambition to deliver a minimum of 5,000 new homes in the city over the next five years.

Building more homes for both social rent and affordable home ownership is a corporate priority. Plymouth is in the midst of an unprecedented housing crisis and needs more homes to meet our identified housing needs. Building the right homes, in the right place, at the right price, while creating great places to grow up and grow old, is necessary for Plymouth's citizens to thrive. And without a new and improved supply of the right homes, the economic and physical regeneration of the city will be constrained.

Plan for Homes 4 builds upon the successful Plan for Homes programme which has provided a housing delivery framework for over the past 10 years, first launched in November 2013 and refreshed in March 2016. In March 2019 Plan for Homes 3 was updated and extended to 2024.

Plan for Homes 4 continues the programme and sets out our commitment to enable and directly provide increased delivery of quality new homes, and to support the regeneration, improvement, and energy efficiency of existing homes of all tenures. Working with a range of partners we aim to meet our key housing challenges and provide for a range of housing needs, particularly addressing the increase in homelessness and use of temporary accommodation.

In addition, we want to work with partners to move towards Net Zero Carbon homes being the standard approach for new housing and will make funding available through the Eco Homes Programme to help meet the extra development costs incurred. Not only will this reduce carbon emissions, but it will also help address fuel poverty in the city.

Plan for Homes 4 sets out six themes of housing activity to increase supply: affordable housing; market housing; private rented housing; supported and specialist housing; partnerships; with a cross cutting theme of climate action.

Plan for Homes 4 also identifies 10 key strategic initiatives within these themes, which include a range of housing, planning, and wider corporate service activities to help meet identified housing needs, tackle homelessness, poor housing conditions, and reduce carbon emissions; exploring opportunities for increased delivery, greater innovation, and maximising investment for the homes the city needs.

Recommendations and Reasons

1. That Cabinet support the development and delivery of Plan for Homes 4 from 2024 through to 2029.
Reason: to enable the Council and its partners to increase and accelerate the delivery of affordable and other forms of housing, to reduce the impacts of homelessness and to improve the quality and energy efficiency of new and existing homes in Plymouth.

Alternative options considered and rejected:

1. Continue with existing Plan for Homes 3 activity

This has primarily been aimed at maintaining levels of housing delivery and estate regeneration in increasingly difficult housing market conditions. It has had much less focus on the wider aspects of housing that include tackling homelessness, improving conditions in the private rented sector, and supporting delivery of our Net Zero Action Plan. It is considered that a more holistic and comprehensive programme of initiatives across the wider housing agenda is required to better respond to our current challenges and housing needs.

2. Leave the private sector to deliver more homes

Past experience of the general failure of the market to build at sufficient delivery rates indicates that this would be insufficient to meet the city's needs and will not provide the range and mix of new and affordable homes required. A more direct and interventionist approach by the Council and its partners is required.

3. Do nothing

This option would not address the issues identified. In the context of the ongoing delivery shortfall against meeting affordable housing needs and the increased costs of temporary accommodation, this option is discounted.

Relevance to the Corporate Plan and the Plymouth Plan

Policy HEA8 of the Plymouth Plan - Meeting local housing needs aims to ensure that everyone has access to a decent, safe and affordable home, which is suited to their needs, promotes health and is located in a community where they want to live.

Policy GRO3 of the Plymouth Plan - Accelerating the delivery of new homes aims to implement a range of initiatives in a 'Plan for Homes' to ensure that a proactive approach is taken to driving and accelerating the delivery of the new homes needed to meet the City's growth aspirations.

Policy GRO7 of the Plymouth Plan - Reducing carbon emissions and adapting to climate change aims to pursue approaches to deliver significant reductions in carbon emissions in Plymouth, aiming to achieve net-zero by 2030.

Corporate Plan – it is a corporate plan priority to build more homes for social rent and affordable home ownership.

Implications for the Medium Term Financial Plan and Resource Implications:

To be able to consider the initial funding of Plan for Homes 4 we need to understand the funding position of the existing Plan for Homes 3 Housing Investment Fund. (Table 1).

Income

The makeup of funding which went into Plan for Homes 3 Housing Investment Fund is;

- Right to Buy Receipts (RTB): £7,000,000 (original allocation March 2019)
- RTB Receipts: £2,652,000 (generated post August 2019)
- S106 funds for affordable housing received from various schemes: £802,361
- PCC land receipts recycled: £82,600
- Repayment of development loan and any surplus from Broadland Gardens: £3,650,000 (current estimate)

Total Plan for Homes Housing Investment Fund: £14,186,961

Expenditure

- We have spent £4,144,236
- We have committed £4,604,156 (by Portfolio Holder decision)
- We have allocated £2,721,000 (to develop and support pipeline projects)
- **Total £11,469,392**

Estimate of maximum balance that is currently available to be carried forward into Plan for Homes 4 is up to **£2,717,569**

Table 1.

Plan for Homes 3: Summary Income and Expenditure	
Income	Sum
RTB receipts (original allocation March 2019)	£7,000,000
RTB receipts (generated post August 2019)	£2,652,000
S106 funds for affordable housing received from various schemes	£802,361
PCC land receipts recycled	£82,600
Repayment of development loan and any surplus from Broadland Gardens	£3,650,000 (current estimate)
Total Income	£14,186,961
Expenditure	Sum
Funds spent	£4,144,236
Funds committed	£4,604,156
Funds allocated total	£2,721,000
Total Expenditure	£11,469,392
Maximum balance of funds currently available to c/f into Plan for Homes 4 (income minus expenditure)	£2,717,569

Plan for Homes 4 Housing Investment Fund – initial funding

- Balance c/f into Plan for Homes 4: a maximum of £2,717,569
- Budget Amendment revenue: £125,000 – carry forward request for remaining balance submitted for consideration.
- Service Borrowing approved for purchase of temporary accommodation: £10,000,000 (Cabinet decision 11.12.23) plus the opportunity to bid for an additional £5m of grant funding from Homes England's Affordable Homes Programme.
- We are working on future opportunities for the purchase of accommodation to support the Homelessness Recovery Board and this will go through the usual decision-making processes.

There is no additional capital ask of Plymouth City Council for 2024 / 25.

We will be working to maximise investment from other sources including our partnership working with Homes England, bids to Government funding pots such as the Brownfield Land Release programme, funds from our Housing Association partners, future S106 contributions for affordable housing and future capital receipts from agreed PCC land disposals.

We are currently forecasting that there will be no further RTB receipts able to fund Plan for Homes 4, as the remaining income will be set off against the existing asbestos liability with PCH, until these obligations are fully met in 2028/29. We are forecasting a liability of £4.8m outstanding, 6 years at £800k per annum. We have £1.624m RTB receipts set aside for this, so far, leaving £3.176m to collect from future RTB receipts. Based on income of £600k per annum this would take just over 5 years to collect, taking us up to 2028/29.

Other resources to support housing delivery include existing Council owned sites that have been allocated for housing as part of the Plan for Homes programme, as well as any further newly identified sites as part of Plan for Homes 4.

Financial Risks

As there are no new capital asks of the Council in 2024/25 and beyond at this stage, there is considered to be no new financial risk to the Council from the Plan for Homes 4 initiative.

Carbon Footprint (Environmental) Implications:

Climate action is proposed to be a cross cutting theme for Plan for Homes 4 in support of our aims to reduce carbon emissions and improve the energy efficiency of homes.

Plan for Homes 4 will contribute towards the delivery of the Council's Net Zero Action Plan (NZAP) to reduce emissions in the city through encouraging and enabling large scale uptake of retrofit insulation in the Social Housing sector, and renewable/low carbon energy generation equipment and infrastructure to existing buildings and promoting other energy demand reduction measures. Also promoting and supporting exemplar low carbon development that adopts higher design and construction standards.

A climate impact assessment has been completed to accompany the Plan for Homes 4 Cabinet report and is added as an appendix to this report.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

Plan for Homes 4 will help address housing challenges for residents in the city who are disadvantaged due to low income, or by disability by providing more high quality, energy efficient housing that is

adaptable to address mobility needs. The emphasis on improving energy efficiency of the new homes will have the added benefit of helping to address fuel poverty for low-income households at a time of high energy costs, and cost of living inflation challenges. This will create a net positive impact on child poverty for those households benefitting from the additional homes the plan envisages.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Plan for Homes 4 Cabinet Briefing Report							
B	Plan for Homes 4 infographic							
C	Equalities Impact Assessment							
D	Climate Impact Assessment							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
N/A							

Sign off:

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Originating Senior Leadership Team member: Anthony Payne (Strategic Director for Place)

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 28/02/2024

Cabinet Member approval: Councillor Penberthy (Cabinet Member for Housing, Cooperative Development, and Communities)

Date approved: 16/02/2024